REMUNERATION POLICY
OF THE DIRECTORS OF REPSOL, S.A.

2019 Annual General Meeting

The English version is a translation of the original in Spanish for information purposes only. In case of any discrepancy, the Spanish original will prevail.

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REMUNERATION POLICY FOR THE DIRECTORS OF REPSOL, S.A.

In accordance with the provisions of article 529 *novodecies* of the Companies Act (*Ley de Sociedades de Capital*), it is the responsibility of the General Shareholders' Meeting to approve the remuneration policy for directors, at least every three years, as a separate item on the agenda.

The Board of Directors of Repsol, S.A. ("**Repsol**" or the "**Company**"), based on a proposal of the Compensation Committee, has agreed in its meeting of 27 March 2019, to propose to the General Shareholders' Meeting the remuneration policy for the Directors of Repsol (hereinafter, the "**Remuneration Policy**") contained in this document, for its implementation in 2019, 2020 and 2021.

In accordance with Article 529 *novodecies* of the Companies Act, this proposed Remuneration Policy is accompanied by a reasoned legal report from the Compensation Committee. This report will be available to the shareholders on the company's website from the calling of the General Meeting.

It is hereby placed on record that, if it is approved, this Remuneration Policy will replace the 2018-2020 remuneration policy for the Company's Directors, which was approved by the Repsol General Shareholders Meeting on 19 May 2017 under item twenty of the agenda, for the period spanning the second half of 2019 and the year 2020.

1. PHILOSOPHY OF THE REMUNERATION POLICY: PRINCIPLES

The overall principle defining Repsol's Remuneration Policy is the search for the mutual generation of value for the Group and for the Directors and the alignment of their long-term interests with those of the shareholders, ensuring total transparency.

1.1. Concerning the Executive Directors

The remuneration of the Executive Directors for the performance of their executive functions follows the principles outlined below:

- Ensure that the remuneration, in terms of its structure and overall amount, complies with best practices and is competitive with that paid by other peer companies in order to attract, retain and motivate the best professionals.

- Establish a remuneration based on objective criteria related to the individual performance of the Executive Directors and the achievement of the business objectives of the Company and the Group.

- Maintain an annual variable component linked to the achievement of specific and quantifiable targets, aligned with the company's interests, with control and measurement systems that determine the payment of the variable remuneration based on individual performance assessments and the personal contribution to the achievement of the established goals.

- Incorporate multiannual variable remuneration systems that promote the achievement of medium/long term targets and the retention of key people, fostering the sustainability and profitability of the Company in the long-term.

- Maintain an appropriate balance between the different remuneration items in line with best corporate governance practices. For these purposes, the Company takes into account, among others, the information and feedback received from shareholders, institutional investors and proxy advisors throughout the consultation and engagement processes carried out by Repsol.

- Ensure the alignment of interests with those of the shareholders, encouraging the holding of shares.

- Ensure sustained alignment between the remuneration policy for the Executive Directors and that for the Senior Management.

1.2. Regarding Directors in their capacity as such

The remuneration of Directors in their capacity as such is based on the following principles:

- The remuneration should be sufficient and appropriate given the dedication, qualifications and responsibilities of the Directors, but without compromising their independent judgement.

- The remuneration should be in line with market practice. To ensure this, the company takes into account the remuneration of Directors in other listed business groups similar to Repsol in terms of size, complexity of business and operations and geographic distribution of assets.

1.3. Regular review of the Remuneration Policy

The Directors' Remuneration Policy is reviewed periodically by the Compensation Committee and by the Board in order to keep it in line with the best corporate governance practices and market trends as well as the feedback provided by shareholders and proxy advisory firms during our year-round engagement process. The Remuneration Policy is submitted to the General Shareholders Meeting for approval whenever it is necessary or when it is deemed convenient that it be amended and in any case, at least every three years, as provided for under the Companies Act.

2. REMUNERATION SYSTEM APPLICABLE TO THE EXECUTIVE DIRECTORS

The Compensation Committee follows the principles outlined above when determining the remuneration package of the Executive Directors for the performance of executive duties, whose elements are listed below.

2.1. Fixed Remuneration

The fixed remuneration of the Executive Directors for the performance of their leadership positions and roles mainly reflects their level of responsibility in the organisation, the positions they hold and their professional expertise, ensuring that it is competitive with the remuneration offered by peer companies, in order to attract and retain the best professionals.

On this basis, each year the Compensation Committee, comprising exclusively Non-Executive Directors, most of whom are Independent Directors, proposes the amount of the fixed remuneration for the Executive Directors for the performance of their executive duties, for approval by the Board of Directors within the framework of the Remuneration Policy.

To determine the remuneration and potential updates, the Compensation Committee, in addition to the criteria described, will take into account, among others, factors such as the characteristics of each position and workload, the market analyses carried out or the average increases in remuneration for the Senior Management of the Company. All this in order to establish appropriate compensation for the duties performed, ensuring its competitiveness with respect to the reference market.

The CEO will have the right to perceive an annual fixed remuneration of 1,200 thousand euros and the General Counsel of 983 thousand euros. These amounts will remain fixed while the Board of Directors does not agree to update them in accordance with the criteria described. Thus, the fixed remuneration of the CEO has remained unchanged since his appointment in 2014 and that of the General Counsel since 2011. In certain situations, the Compensation Committee may recognise, for example, a change of responsibility, development in the position and/or a special necessity for retention and motivation that may justify increases for certain Executive Directors. The underlying reasons will be explained in the corresponding annual report on Directors' remuneration. In any case, any increases that may be agreed according to the above parameters for each of the Executive Directors during the whole term of the Remuneration Policy, may not exceed, in total, 10 % of their current fixed remuneration.

2.2. Variable Remuneration

2.2.1. Annual Variable Remuneration

The annual variable remuneration seeks to encourage the achievement of predetermined, specific and quantifiable strategic objectives related to the management of the Executive Directors, assessing their individual contribution to the achievement of these targets.

The Board of Directors, with the proposal of the Compensation Committee is responsible for determining the targets at the start of each financial year and for assessing compliance with these once it has ended. In this role it has support from the internal areas of the company, which provide it with information on the various categories of targets and the results obtained.

In order to establish the appropriate metrics weighting and to determinate the levels of achievement of each objective, the Compensation Committee takes into account historical performance, projections and forecasts for the Company's results The annual variable remuneration of the CEO is linked to the achievement of quantitative business targets including operational and financial targets for the Company, value creation objectives and sustainability goals. As applicable, the Compensation Committee may also propose the inclusion of qualitative objectives related to the Company's strategy, which will have a maximum weight of 20%.

In this regard, each metric has associated a scale of achievement defined in function of its variability and its level of demand. These scales have a minimal compliance threshold, below which they do not generate a right to an incentive, and a maximum, fixed at 110%, although the overall degree of achievement of the targets will not be above 100%. The Compensation Committee, on the basis of the level of compliance with each target and its weighting, determines a weighted average level of compliance, which allows it to compensate excellent compliance (above 100% or above the expected standard) in one metric with a lower level of compliance in others.

The conditions of the annual variable remuneration system that apply to the Executive Directors, including its structure, maximum pay levels, targets and metrics set and the individual weight, are reviewed annually by the Compensation Committee to ensure that they are sufficiently demanding given the strategic priorities of Repsol, both long and short term, its needs and the position of the business.

The amount of the annual variable remuneration is defined as a target percentage of the fixed remuneration. For the CEO this may vary between 0%, if overall compliance above a minimum threshold is not reached and 100% of the fixed remuneration (maximum limit for payment of variable remuneration) in the event that the overall level of compliance with the targets is 100% or higher. Notwithstanding that, the Board of Directors retains the ability to adjust, to a maximum of 20% upwards or downwards, the final quantitative results for the annual variable remuneration, depending on the quality of results, individual performance and other issues that require qualitative measurement. In case the Board of Directors, based on a proposal of the Compensation Committee, agrees to adjust –upwards or downwards– the annual variable remuneration of the CEO, the Company will provide detailed information of the rationale that justifies the qualitative adjustment.

The General Counsel's annual variable remuneration may vary between 0% and 90% of the fixed remuneration.

In order to ensure that the annual variable remuneration retains an effective relationship with the professional performance of the Executive Directors, when determining the level of compliance with the quantitative objectives, positive or negative economic effects that arise from extraordinary events and that could distort the assessment results are eliminated. These adjustments will be set out in the annual report on Directors' remuneration.

The annual variable remuneration may be paid in cash, shares or combining both instruments.

2.2.2. Long-Term Variable Remuneration

Repsol has traditionally implemented long-term variable remuneration plans in the Company with the aims of promoting the mutual creation of value for the Group, its shareholders and its employees, as well as strengthening the commitment of its beneficiaries and reward the creation of sustainable value for the shareholders in the long-term.

The Company has currently implemented several long-term incentive plans for all directors, including the Executive Directors, and other professionals with high qualifications and potential. These programs are independent of each other, but their main characteristics are the same. They are all structured as overlapping plans that last at least four years.

Each plan is linked to the continuance in office of the Executive Directors until the end of the measurement period and to the fulfilment of the targets and commitments contained in the Group's Strategic Plan in force that are directly aligned with the sustained maximisation of the Company's value. Among the targets are metrics related to the different businesses of the Company, value creation and sustainability.

Each metric has associated a scale of achievement defined in function of its variability and its level of demand. These scales have a minimal compliance threshold, below which they do not generate a right to an incentive, and a maximum level, set at 100%.

The Board of Director, based on a proposal of the Compensation Committee, determines each year the weighting of these objectives and the associated target levels in response to Repsol's strategy, needs and business situation.

The target amount of the long-term variable remuneration of the Executive Directors is defined as a target percentage of the fixed remuneration at the time of granting the incentive. In the case of the CEO, the maximum target amount of the long-term incentive is 120% of his fixed remuneration. Notwithstanding this, if an overall compliance above a minimum threshold is not reached the final amount to be settled may be 0%.

The Board of Directors retains also the ability to adjust, to a maximum of 20% upwards or downwards, the final quantitative results for the long-term variable remuneration of the CEO, depending on the quality of results, individual performance and other issues that require qualitative measurement. In case the Board of Directors, based on a proposal of the Compensation Committee, agrees to adjust –upwards or downwards– the long-term variable remuneration of the CEO, the Company will provide detailed information of the rationale that justifies the qualitative adjustment.

The General Counsel's maximum long-term incentive target is 100% of his fixed remuneration. Likewise, if an overall compliance above a minimum threshold is not reached the final amount to be settled may be 0%.

At the end of the measurement period, the Compensation Committee assesses the degree of achievement based on the overall level of achievement of the objectives in the incentive program and the personal performance of each Executive Director.

The long-term incentive plans that the Company has currently in place may be paid in cash, in shares or a combination of both instruments. The amount of the long-term variable remuneration payable to the Executive Directors will be disbursed in the following proportion:

- 70% of the total will be paid in cash.
- 30% of the total will be paid in Company shares.

The Executive Directors may not convey the Company shares delivered to them nor directly or indirectly perform hedging transactions on them for one year from the delivery of the shares. The above will not apply to the shares that have needed to be disposed of, when applicable, to pay delivery costs (including tax expenses). Neither may they perform hedging actions, directly or indirectly, prior to their delivery.

Any shares delivered to the Executive Directors under each long-term variable remuneration plan may be computed for the purposes of investment in shares referred to in the Share Acquisition Plan by the Beneficiaries of the Long-Term Incentive Programs mentioned in section 2.2.3 below.

The Long-Term Incentive Plans that are currently in force are 2016-2019, 2017-2020, 2018-2021 and 2019-2022 ("**Plans**"), pursuant to which the maximum amount of the multiannual variable remuneration of the Executive Directors is as follows:

- Chief Executive Officer: 1,728,000 euros for each Plan.
- General Counsel: 982,975 euros for each Plan.

The final number of shares delivered to the Executive Directors when each of the Plans is settled will be calculated taking into account: (i) the amount of the long-term variable remuneration effectively payable to each Director after applying the corresponding taxes (or withholdings); and (ii) the average weighted daily price by volume of the average weighted price of Repsol shares corresponding to the fifteen trading sessions prior to the Friday, exclusive, of the week prior to the date on which the Board of Directors resolves the payment of the long-term variable remuneration for the Executive Directors under each of the Plans (the "**Reference Price**"). In particular, the number of shares to be received and charged to each Plan shall be determined, after applying the corresponding taxes (or withholdings), in accordance with the following formula:

$$\textbf{Shares to hand over} = \frac{\textbf{Long} - \textbf{Term variable amount in shares}}{\textbf{Reference Price}}$$

Notwithstanding the foregoing, the Company plans to modify the design of the long-term variable remuneration programs that will be implemented as of the year 2020 in order to adapt them to the best practices of corporate governance and the market and to the remuneration practices of peer companies considering, among other aspects, the information received from shareholders, institutional investors and proxy advisors in the context of the engagement processes carried out by Repsol.

In this way, the Executive Directors will have the right to participate during the validity of this Remuneration Policy in all long-term variable remuneration programs in cash, in shares or referenced to the value of the share approved by the General Shareholders' Meeting, at the proposal of the Board of Directors, formulated based on a report from the Compensation Committee.

The shares that are delivered, where appropriate, to the Executive Directors under the new long-term variable remuneration plans may be computed for the purpose of the investment in shares referred to in the Share Acquisition Plan by the Beneficiaries of the Long-Term Incentive Programs mentioned in section 2.2.3 below.

In case of termination of the contractual relationship of the Executive Directors, the Long-Term Incentive Plans that were in force at that time will be settled in accordance with the provisions of their General Conditions.

2.2.3. Share Acquisition Plan for Beneficiaries of the Long-Term Incentive Programs

The Company has implemented a Share Acquisition Plan for certain groups of employees and for the Executive Directors, the purpose of which is to promote the alignment of their long-term interests with the interests of the shareholders and the company (“**Share Acquisition Plan**”).

The Share Acquisition Plan for Beneficiaries of the Long-Term Incentive Programs is structured through several cycles, approved by the General Shareholders Meetings held on 15 April 2011 and on 20 May 2016. This Plan allows its beneficiaries to invest a maximum amount in Repsol shares, so that if they hold the shares for a period of three years and comply with the Share Acquisition Plan’s other conditions, the Company will give them one additional share for every three shares initially bought by them at the end of the specified period.

To simplify the implementation of the Share Acquisition Plan and for the sole purpose of determining its beneficiaries and the maximum amount that they may invest in it, the long-term variable remuneration programs have been taken as a reference. Consequently, only the beneficiaries of the long-term remuneration programs may be beneficiaries of this Plan and the maximum amount that they may invest in it, is the equivalent of 50% of the gross amount of the multiannual incentive received by each beneficiary.

For those beneficiaries who are Executive Directors or have Senior Management status (meaning those managers who are part of the Executive Committee or any other equivalent committee that may replace it in the future), the Company establishes an additional performance requirement for the delivery of the extra share for every three shares acquired initially. This objective consists in achieving an overall a level of compliance of the targets established for the long-term variable remuneration program closed in the financial year immediately preceding the date of final delivery of the shares, equal or greater than 75%. .

At end of the 2018 financial year the sixth (2016-2019), seventh (2017-2020) and eighth (2018-2021) cycles of the Share Acquisition Plan for Beneficiaries of the Long-Term Incentive Programs were in force.

In case of termination of the contractual relationship of the Executive Directors, the Share Acquisition Plans that were in force at that time will be settled in accordance with the provisions of their General Conditions.

2.2.4. Ex-post adjustments of the Variable Remuneration

The Compensation Committee may propose to the Board of Directors that there be a claim for the reimbursement of the variable components of the remuneration. Both short-term and long-term, when the payment has not been adjusted to the performance conditions or when it has been awarded on the basis of data that is subsequently shown to be inaccurate.

The Compensation Committee has the power to propose the cancellation of the payment of the variable remuneration of the Executive Directors, annual and multiannual, upon the emergence of circumstances that show that the remuneration was paid on the basis of inaccurate or erroneous data.

In particular, the conditions of the Share Acquisition Plan for Beneficiaries of the Long-Term Incentive Programs establish, in addition to the beneficiary remaining in the Repsol Group, that the accrual of the delivery of extra shares is conditional upon not having occurred, in the period prior to each allocation of shares, in the opinion of the Board of Director, based on a report by the Compensation Committee, the material restatement of the Company's financial statements if this affects the degree of fulfilment of the objectives set for the relevant long-term variable remuneration program, except when this is due to a change to the accounting principles.

2.3. Long-Term Saving Systems

As a result of his previous employment relationship, the CEO participates in the Group's Executives' Benefits Plan (the "**Benefits Plan**") under the terms envisaged in its Regulations.

This benefits plan system is a defined contribution system. According to the formula envisaged in the Benefits Plan Regulations, the annual retirement contributions are equivalent to approximately 20.5% of his fixed remuneration, which is contingent upon him remaining employed by the Group. The contingencies covered in the Benefits Plan are the following: (i) retirement, (ii) disability and (iii) death.

The economic rights accumulated in the Benefits Plan will vest if the CEO's relationship with the Company is terminated because of:

- A unilateral decision by the Company, provided that it is not based on the grounds envisaged in articles 40, 41 or 50 of the Spanish Workers' Statute (*Estatuto de los Trabajadores*).
- An unjustified disciplinary dismissal.
- An objective dismissal or if the relationship is terminated due to organisational, economic, productive or technical grounds, whether or not it is declared or recognised as justified or unjustified.
- A termination according to the CEO's decision for any of the reasons envisaged in articles 40, 41 or 50 of the Spanish Workers' Statute.

Additionally, the CEO participates in the Repsol pension scheme, the maximum contribution to which is set at 7 thousand euros per year.

In turn, the General Counsel participates in a deferred remuneration scheme called the "*Length of Service Reward*", which was approved by the Board of Directors prior to the remuneration policy in force and that is intended to encourage his continuity in the Repsol Group. This system is implemented through the investment fund called "*Fondo de Permanencia, FI*" into which Repsol makes annual contributions for an amount equivalent to 20% of the General Counsel's annual fixed remuneration, and in exchange receives shares in the Fund. These shares are owned by Repsol until the General Counsel retires, at which point the right will vest and be transferred to him, together with the ownership. He will also be entitled to the cumulative amount of the Length of Service Reward upon the termination of his contract in those cases in which he is entitled to compensation. These cases are described under section 2.5 of this Remuneration Policy.

The long-term savings systems do not stipulate that Executive Directors must be paid when they cease to perform their executive functions or cease to be directors of the Company. However, the amounts of the Executive Directors' long-term savings systems, which they will receive when the criteria are met for them to vest, are compatible with the benefits in the event of termination of the relationship envisaged in their respective contracts and that is explained in paragraph 2.5 of this Remuneration Policy.

2.4. Other benefits

The Executive Directors are beneficiaries of certain benefits in kind, including, among others, medical insurances, life and disability insurance and the payments on accounts linked to in kind remuneration. All of them aligned with the usual practice at Repsol.

Repsol's policy does not provide for the Company granting any advances, loans or guarantees to the Executive Directors

Furthermore, the Executive Directors may receive, where appropriate, an additional remuneration for sitting on the boards of directors of other Group, multi-group or associated companies.

2.5. Main conditions of the contracts of the Executive Directors

The remuneration, rights and economic compensations of the Executive Directors are determined in their respective contracts, always respecting the provisions of the Company's By-laws.

The contracts signed with the Executive Directors are indefinite, do not provide a notice period for Repsol and establish a post-contractual non-compete obligation. This obligation means that, once the term of the contract has expired, they may not provide services in companies similar to Repsol.

Furthermore, all the contracts establish the non-compete obligation, for the duration of their relationship with the Company, with business and activities of a similar nature.

With regards to severance pay, the contractual conditions provided for the CEO set the limit of severance pay to a maximum of the equivalent of two years' pay, including on said amount the remuneration for the post-contractual non-compete clause, pursuant to the commitment assumed by the Board of Directors at its meeting of February 25, 2014, at the proposal of the Compensation Committee. This severance payment is foreseen when the contract is terminated for grounds attributable to Repsol or by mutual agreement, if it is in the interest of the Company. If the contract is terminated by unilateral decision of Mr. Imaz, he must notify the Company three months in advance and will only receive one year of his fixed and variable remuneration as compensation for the non-compete clause.

The conditions of the contract of the General Counsel, signed in 2005, respond to the personal, professional and market circumstances prevailing at the time it was signed. It was approved by the Board of Directors, prior favourable report by the Compensation Committee, following an analysis of the market practices prevailing at that time and advice from independent experts. In the event of the contract being terminated on grounds attributable to Repsol, by mutual agreement or in the best interests of the Company, or upon the occurrence of objective circumstances, such as a significant change in the ownership of the Company's capital stock, there is a provision for a differed severance for the equivalent of three full years of total annual remuneration plus one additional year in consideration of the post-contractual non-compete commitment.

2.6. Shareholding Policy

While they remain in their positions, the Executive Directors must retain the ownership of the Company shares in their portfolio, as well as any other shares received in kind under the Long-

Term Incentive Programs or linked to the Share Acquisition Plan for Beneficiaries of the Long-Term Incentive Programs until they reach, at least, an amount equivalent to twice their annual fixed remuneration.

The valuation of the portfolio shares at the date of approval of the Remuneration Policy will be based on share prices on the corresponding acquisition date.

2.7. Remuneration policy for new appointments

When determining the pay package for a new Executive Director, the Compensation Committee will consider the candidate's experience and expertise, where he came from (from inside or outside the company) and his level of pay at the time of being appointed. The remuneration components and the corresponding limits as well as the basic contractual terms described in this Remuneration Policy will apply to any new Executive Director vested with executive functions.

Exceptionally, and to facilitate the recruitment of an external candidate, the Compensation Committee may establish a special incentive that it is reasonable to offset the loss of incentives not accrued in the previous company due to the resignation and consequent acceptance of Repsol's offer. The Company will provide detailed information on the relevant annual remuneration report about the incentive that may be established by the Board of Directors, as the case may be.

With regards to the remuneration of the Director in his capacity as such, this will be integrated within the maximum distributable amount established by the general meeting and to be distributed by the Board of Directors in accordance with the provisions described below.

3. REMUNERATION SYSTEM APPLICABLE TO THE DIRECTORS IN THEIR CAPACITY AS SUCH

With regards to the Directors, in their capacity as such, the Remuneration Policy established by the Compensation Committee seeks to adequately and sufficiently compensate the dedication, qualification and responsibilities of the Directors, without going so far as to jeopardise their independence of judgment.

The Compensation Committee is responsible for proposing to the Board of Directors the criteria that it deems appropriate for determining the remuneration of the Directors, for performing their role as a supervisory and decision-making body. The Board of Directors is responsible for determining the exact amount to be paid and how it will be distributed between the different Directors.

3.1. Maximum remuneration threshold for the whole Board

According to the provisions of article 45 of the By-laws and in accordance with the remuneration policy in force passed by the General Shareholders Meeting on May 19, 2017, the current threshold that the Company may allocate annually to the remuneration of the members of the Board of Directors for the performance of its collegiate supervision and decision-making duties, including the remuneration of the Chairman of the Board of Directors, is 8.5 million euros that is renewed with the approval of this Policy.

The Board of Directors must establish the exact amount to be disbursed within that threshold and its distribution among the various Directors, taking into account the functions and responsibilities assigned to each of them, the positions held by each of them in the Board and its Committees and other objective circumstances that it considers relevant.

3.2. Remuneration of Directors in their capacity as such

Directors, in their capacity as such, receive a fixed remuneration for carrying out their collegiate supervision and decision-making duties. The calculation of this remuneration, except that of the Chairman, takes place through the allocation of points for belonging to the Board of Directors or to the various committees. Each point is equivalent to a pay amount, thus resulting in different sums for the Directors, based on each of their responsibilities. The Board of Directors, at the proposal of the Compensation Committee, must establish the amount of the value of the point, in line with the remuneration threshold for the whole Board, which shall be communicated in the annual report on Directors' remuneration for the financial year in question.

Nevertheless, in view of the recommendations made by the supervisory bodies, and market practices and current remuneration trends, the Board of Directors, at the proposal of the Compensation Committee, may replace this remuneration model with other, equivalent systems that are also based on fixed remuneration, in no way it is intended entailing an increase in the maximum remuneration mentioned above.

Furthermore, it should be noted that External Directors are all excluded from the employee benefit systems that are funded by the Company in the event of dismissal, death or similar and from the company's short and long-term performance-linked incentive plans, such as the multiannual cash remuneration, shares or call options on shares.

According with article 16.5 of the Regulations of the Board of Directors, once leaving the Board, Directors may not render services at a competing Company for two years unless the Board of Directors releases them from this obligation or shortens the time of the constraint.

4. CHAIRMAN OF THE BOARD OF DIRECTORS

The remuneration of the Chairman of the Board of Directors reflects the important role and the high workload and commitment of the position, as well as the other criteria set forth in the Remuneration Policy.

The remuneration of the Chairman of the Board of Directors is formed exclusively by fixed items. The total amount of the fixed remuneration of the Chairman of the Board of Directors amounts to 2,500,000 euros annually, which may include, as the case may be, amounts for sitting on the Board of Directors and Committees of Repsol's Group, multi-group and associated companies.

The Chairman of the Board is also the beneficiary of in-kind benefits provided under his contract, that include medical insurance, the accommodation costs of the Chairman's residence provided by the Company as a home and for the institutional representation of the Company, the corresponding prepayments arising from such items and the economic compensation for the applicable personal taxation arising from the aforementioned in-kind remuneration (withholdings) in accordance with Repsol's practice. As of the approval date of this Remuneration Policy, the Chairman has relinquished the life insurance of which he had been the beneficiary up to that date.

5. DIRECTORS LIABILITY POLICY

In accordance with the provisions of article 45 of the By-laws, the Company has subscribed a Directors and Officers liability policy covering third-party claims for damages and/or potential losses caused by the Directors' acts or omissions in their position as members of the Board of Directors. The policy collectively covers Directors, officers and other employees of the Group who exercise management-related functions, and that also covers the different companies of the Group under certain circumstances and conditions.

In 2018, the total amount of premiums for this collective liability insurance policy amounted to 1.8 million euros. This amount corresponds to all the insured and therefore does not refer exclusively to the members of the Board of Directors of Repsol.

6. VALIDITY PERIOD OF THE POLICY

Pursuant to the provisions of article 529 *novodecies* of the Companies Act, the Company will implement this Directors' Remuneration Policy during 2019, 2020 and 2021.

Any amendment or replacement of the Remuneration Policy will require the prior approval of the General Shareholders Meeting in accordance with prevailing legislation.

In any event, this Remuneration Policy will be without prejudice to any payments that may have to be made to the Executive Directors during this period pertaining to deferred amounts of variable remuneration from previous years, which will be subject to the conditions that were established for such remunerations.

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